

United States Marine Corps

Public-Private Venture Military Family Housing





PPV provides homes of the future

Staff Sgt. Cindy Fisher, Headquarters Marine Corps

Public-private venture is the wave of the future for military family housing, and the Marine Corps is leading from the front in this initiative.

PPV partners the Corps with private companies in order to provide quality military family housing in a timelier manner. This military housing privatization initiative is authorized by Congressional legislation. The National Defense Authorization Act of fiscal year 1996 authorizes Department of Defense agencies to work with private developers to meet critical housing needs nationwide.

In the past, military housing – often considered a low priority when compared to training issues – was managed and maintained by the Corps. The Commandant of the Marine Corps, Gen. James L. Jones, expressed a different approach at the Oct. 15, 2001, official opening ceremony for the Camp Pendleton, Calif., DeLuz Housing Area, site of the Marine Corps' first PPV project.

“We have migrated from a policy of readiness which was defined in very narrow terms. Does this Marine have his rifle, his pack, his helmet, his ammunition, his food?” said Gen. Jones. “We didn’t really worry too much in the 60s and 70s about the family - but things are different now.”

The Corps now understands the equal importance of caring for the Marine and the Marine’s family, and is dedicated to improving living conditions, the general added.

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The Situation

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In recent years, the quality of life in military-managed housing areas has deteriorated for a variety of reasons.

On many bases, housing units were built about the same time as the installation infrastructure. Several housing areas on Marine Corps Base Camp Pendleton have existed since the late 40s and early 50s. At MCB Quantico, Va., the average age of homes is 55 to 60 years and some structures even date back to 1918.

In 2000, 63 percent of the Corps’ housing units were more than 30 years old and 53 percent were considered inadequate, according to Karen Ayers, head of Housing Management, Facilities Branch, Installations and Logistics, Headquarters Marine Corps.

As homes age, they require extensive repairs or renovations. This is expensive and creates a maintenance backlog. Consequently, base housing managers struggle to maintain units at an acceptable living standard.

In a 2000 report on housing challenges, Ayers said the estimated cost to fix the problems corpswide is \$1.5 billion. In the meantime, families residing in base housing live in homes plagued by maintenance problems like leaky plumbing, peeling paint and cracked floors.

A long-time proponent for better military housing in Southern California, Ron Packard, the former representative for California’s 48th District, toured some of the older housing areas of Camp Pendleton.

“They were deplorable,” Packard said during the DeLuz Housing Area opening ceremony. “It was unfortunate that we were asking our men and women who are serving their country to even live in those conditions.”

In addition to the problems inherent with older homes, many installations simply don’t have enough housing units. Often, service members must find temporary housing in surrounding

civilian communities while waiting for homes to become available in base housing.

For some duty stations, waiting lists are almost as long as a tour of duty.

The average wait for military housing is 18 months at Marine Corps Air Station Miramar, Calif. MCAS Miramar is one of several military installations in the San Diego area, which is home to more than 38,000 active-duty military families.

Often, service members living in civilian communities incur living expenses greater than the basic allowance for housing provided them by the Corps.

Poor and insufficient housing can have a negative impact on the morale of a unit, Packard said. Marines concerned about their families’ living conditions have difficulty concentrating on their jobs.

“Dedication to duty is compromised when (service members) are worried about family and home. If things are alright at home, things will be alright in the field,” said Packard who served as an officer in the U.S. Navy Dental Corps in the late 50s.

The commandant also expressed concern about the negative impact housing issues have on retention efforts.

“Not only do we worry about families, we understand that a Marine who has a family will not likely stay a Marine for very long if the family is not taken care of,” Gen. Jones said. “In today’s all volunteer force, Marines will vote with their feet if we don’t meet their aspirations and those of their families.”

Correcting these housing issues has become a long-term project. However, budget constraints combined with aging housing units and a maintenance backlog make it difficult for the Corps to provide high-quality housing to Marines and their families.

The Solution



Marine Corps Base, Camp Pendleton, Calif.

In the continuing effort to correct this situation, the Corps has turned to the private sector to build and manage military housing.

“The Public Private Venture Housing Initiative is a part of our ongoing transformational effort,” Gen. Jones said.

The Corps is joining with private companies, usually limited liability companies, to build more and better housing for the same money. The Department of the Navy uses a condensed acquisition process that minimizes the time, effort and money interested parties must put into the process. This helps ensure the most highly qualified private company, investor or development teams with the Marine Corps.

PPVs are an “application of governmental resources in a competitive environment,” Gen. Jones said.

Ventures will focus on privatizing the replacement, renovation, maintenance and operation of existing government housing. Private companies then bear the cost for building, renovating, maintaining and managing family housing communities.

This partnership allows homes to be renovated or constructed faster, Ayers said. “Private companies can get construction loans based on the expected rental income from Marines’ BAH. This reduces the up-front cost to the Corps of fixing housing.”

The Marine Corps will also require private companies to set aside funds for short- and long-term renovations, Ayers said. This “will ultimately ensure homes remain in good condition over the life of the projects.”

The resulting PPV-managed housing areas won’t be operated in the same manner as base housing. “The PPV program is managed like a rental property is out in town,” said Maj. Craig S. McDonald, deputy director of Family Housing, Camp Pendleton.

Under PPV, service members sign leases and make monthly payments through allotments equal to the Basic Allowance for Housing for that area. Since BAH covers rent and normal utility usage, service members should have no out-of-pocket expense, Ayers said.

While private companies manage and maintain family housing areas, the Marine Corps will remain a participant in all key management decisions as a member of Limited Liability Company Boards.



Naval Training Center, San Diego, Calif.

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Naval Training Center, San Diego, Calif.

As a safeguard, the Marine Corps leases the land to be used. This prevents the loss of land or units if a company defaults on a loan. The company cannot take out new debt against the project without the Corps' consent. The Corps' consent will also be required for expenditures over specified amounts.

Several PPV projects are already underway and more are scheduled for the future. The first PPV contract was awarded to the Hunt Corporation in November 2000 for DeLuz Housing.

The PPV family housing program at Camp Pendleton is building new housing units and renovating old ones faster than the previous military-construction process, which took a minimum of five years to complete, McDonald said.

Camp Pendleton residents began moving into the first 200 completed homes in October 2001. Once completed, this project will include 712 units.

The ribbon was cut June 26 on the joint Navy and Marine Corps project at Belle Chase Naval Air Station, New Orleans. The housing area features 512 new townhouse units. Once completed, the \$73 million project will have 935 units.

Another joint Navy and Marine Corps project opened in San Diego in August. Additional projects are planned for MCB Camp Pendleton and MCAS Miramar. Future projects are also planned for MCB Quantico; Stewart, N.Y.; MCAS Yuma, Ariz; MCB Hawaii; MCB Camp Lejeune, N.C.; and Marine Corps Recruit Depot Parris Island, S.C.; to name a few.

“I think by 2005, about 95 percent of our family construction ... will be PPVs. So it's already the way of the future,” Gen. Jones said at the opening of one PPV project. These housing-privatization initiatives reduce the worries of military service members whose families live within base communities, he added.

“(The service member) knows, should he be deployed, his family is in a safe and secure house as well as a residence that is well maintained,” McDonald said.

The Benefits



Marine Corps Base, Camp Pendleton, Calif.

What this means to service members is better homes and shorter waiting lists.

Through PPV projects, better homes can be constructed or renovated faster, especially in areas with critical housing needs, according to housing management officials at HQMC.

PPV housing areas will showcase well-landscaped, pedestrian friendly sites, Ayers said.

These “better homes” will include functional floor plans, usually larger than military-constructed homes. Home designs incorporate significant storage space and one- or two-car garages. Most will also have town home architecture and layouts as well as fenced yards.

Residents already living in PPV-managed housing areas are please with their new homes. “I love it. It has so much space. God, it’s beautiful and I can’t complain at all,” said Cpl. Blanca Hernandez, I Marine Expeditionary Force, of her home in the DeLuz Housing Area.

The homes are not the only thing to improve.

“PPV is more than just building houses – it’s about building communities for our Marines, Sailors and their families,”

said Sgt. Maj. Alfred L. McMichael, Sergeant Major of the Marine Corps.

PPV housing areas will offer a variety of community services and recreational facilities. Some typical features to be expected include:

- * large multi-function community centers,
- * community recreation and education programs, coordinated with Marine Corps Community Services,
- * one to three day response time for routine service calls,
- * change of occupancy maintenance in three to five days,
- * high-speed internet provided,
- * yards maintained by property managers and
- * pools, basketball courts and playgrounds.

Through PPV, the Corps will continue to ensure that Marines and their families enjoy a quality of life in keeping with their mission, Ayers said.

“PPV is more than just building houses – it’s about building communities for our Marines, Sailors and their families,” said Sgt. Maj. Alfred L. McMichael, Sergeant Major of the Marine Corps.

